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Governor

STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES
**DIVISION OF HEALTH CARE FINANCING AND
POLICY**

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MICHAEL J. WILLDEN
Director

CHARLES DUARTE
Administrator

March 15, 2005

Dear Medicaid Provider:

During the months of July and August 2004, The Division invited all interested physicians and other health care professional groups to attend public workshops on Nevada Medicaid and Nevada Check Up reimbursement rates. The workshops focused on rates for Current Procedural Terminology services, which are billed by physicians and other health care practitioners. Additionally, immediately following the workshops a letter was sent to affected Nevada Medicaid providers requesting their input.

I would like to take this opportunity to express my appreciation for the participation we received from the provider community on this project, and also discuss areas where the Division is focusing resources to help alleviate the concerns expressed during the workshop process.

In addition to comments and suggestions regarding how the current reimbursement model can be adjusted to improve overall access to essential services many of you were concerned about the timeliness and accuracy of claims payments from our fiscal agent, First Health Services Corporation (FHSC). Additionally, some providers were concerned about burdensome administrative requirements of the Medicaid program.

There were many suggestions regarding how the Division's physicians' fee schedule could be changed and updated. These suggestions included reimbursing at 100% of the current Medicare Fee Schedule for all providers utilizing the professional fee schedule; differentiating payment amounts based on where the services were performed; and, updating the fee schedule annually to use the most current Medicare Fee Schedule.

These changes to the fee schedule were included in one of ten provider rate enhancements proposed by the Division as part of our Agency Fiscal Year 2006 and 2007 operating budget request. Unfortunately, because of funding constraints only three rate enhancement proposals (Air Ambulance, Mental Health Rehabilitative Treatment Services, and Home Infusion Therapy) were included in the Governor's Recommended budget for the next biennium.

With respect to timely and accurate claims payment and processing we have initiated biweekly meetings with representatives from the Division, FHSC, and the Nevada State Medical Association. The purpose of these meetings is to identify specific problems or issues and seek to resolve them. I believe there has been progress made at these meetings, and issues continue to be resolved. Additionally, for those issues where it is warranted FHSC is in the process of developing and scheduling provider training in order to clarify the billing and payment processes.

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Regarding our administrative requirements I have instructed staff to conduct an internal review to determine if some of these requirements can be simplified, or eliminated. This review is ongoing.

The Division remains committed to working through all claims payment and processing problems and we intend to continue the biweekly meetings with FHSC and the Nevada State Medical Association. In addition, we are reviewing the administrative requirements for Nevada Medicaid and FHSC will continue conducting provider training on the billing and claiming process where it is warranted. I am also hopeful the Legislature will consider the additional rate enhancement proposals including the enhancements to the professional fee schedule.

Thank you again for the suggestions and participation in our workshops. I look forward to your continued support.

Sincerely,

Charles Duarte, Administrator
Division of Health Care Financing and Policy